

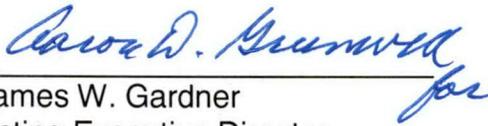
COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY-AMERICAN)
WATER COMPANY FOR AN ADJUSTMENT OF) CASE NO.
RATES) 2015-00418

NOTICE OF FILING OF COMMISSION STAFF CORRECTION

Notice is hereby given that Item 37 of the Commission Staff's Second Request for Information to Kentucky-American Water Company ("Staff's Second Request"), filed on March 7, 2016, contains typographical errors. Staff has prepared a corrected version of Item 37, contained in the Appendix to this Notice, which should be used in preparing a response to the request. Further, notice is also given that Item 81 of Staff's Second Request contains information for responding to Items 82 and 83.


James W. Gardner
Acting Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED MAR 22 2016

cc: Parties of Record

APPENDIX

APPENDIX TO A FILING OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2015-00418 DATED **MAR 22 2016**

37. Refer to KAWC's Response to Staff's First Request, Item 11. The 10-year average ratio of actual to budgeted capital construction ("slippage factors") for 2006–2015 is 117.7 percent for the Recurring Capital Expenditure Projects A-S, and 91.6 percent for the Investment Projects.⁷

a. Assuming all other factors are unchanged, recalculate KAWC's forecasted revenue requirement, rate base, capital structure, and cost-of-service study to take into account both of the following changes:

(1) Use of a slippage factor of 117.7 for all monthly Recurring Capital Expenditure Projects A-S expenditures beginning November 2015 through the end of the forecasted period; and

(2) Use of a slippage factor of 91.6 for all monthly Investment Project expenditures beginning November 2015 through the end of the forecasted period.

b. Provide all work papers, state assumptions, and show all calculations used to determine the effect of these slippage factors to each forecasted element of revenue requirement, rate base, and cost-of-service study.

c. Provide the work papers, calculations, and assumptions requested in Item 37.b. in Microsoft Excel format.

⁷ Investment Project "06-07 New WTP Pool 3 of Kentucky" is not included in the slippage factor calculation.

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